

VERNON ENVIRONMENTAL, INC.

3949 Klahanie Drive SE, #9202, Issaquah, Washington

P/C/F 206.686.2469

January 27, 2006

Mr. Eitan Alon
Ariel Development, Inc.
3100 Airport Way South
Seattle, WA 98134

Re: Summary Letter Report for Consulting, Regulatory Negotiation and Oversight Regarding Ecology Meeting on January 24, 2006 for the Former Rainier Brewery Site

Dear Eitan:

Vernon Environmental, Inc. (VEI) is pleased to provide Ariel Development, Inc. (Ariel) with its Summary Letter Report in fulfillment of its Proposal #060103-Task 1 dated January 5, 2006 regarding our meeting with the Washington State Department of Ecology (Ecology). The following text provides VEI's annotations regarding the Ecology meeting directives, which included PCB source, release, investigation and cleanup approaches at the Former Rainier Brewery (the, "Site").

Ariel's Eitan Alon and VEI's Conrad Vernon met with Ecology's Dan Cargill on January 24, 2006 to discuss Seattle Public Utility's (SPU's) catch basin sediment sampling results and Ecology's regulatory approach for the ultimate cleanup of the Site sediments. In our meeting, Ecology directed Ariel to perform the following items (in order of priority):

- Provide Methodology Plan for identifying underground subject pipes,
- Identify underground subject pipes with a dye study or other equivalent means to Ecology's satisfaction,
- Provide an as-built drawing of subject underground pipes including inlet points, catch basins, manholes, etc.
- Provide Field Work Plans, i.e., Field Sampling Plan, Data Quality Objectives Plan, Quality Assurance/Quality Control (QA/QC) Plan and Health & Safety Plan,
- Collect manhole and catch basin sediment samples, analyze samples, report analytical results,
- Provide a Remedial Action Plan to cleanup the Site sediments in pipes and collection points (i.e., cleanup the catch basin and manhole sediments, as well as jet clean the pipes), and
- Implement the Remedial Action Plan.

VEI was successful in accomplishing agreement by Ecology to the following cost saving items:

- To keep the project out of the Voluntary Cleanup Program (VCP) with a cost savings of a \$500.00 enrollment fee and ongoing Ecology consulting fees resulting in a cost savings of thousands of dollars,
- To keep the project at Ecology's level, instead of; the US EPA (even though PCBs are a regulated waste under the TOSCA federal program), resulting in saving hundreds of thousands of dollars, and
- To agree that the source of the sediment PCB impact was from a "non-PCB" source, resulting in a significant cost savings of tens of thousands of dollars (land filling less than 50 ppm PCB impacted sediments vs. incinerating less than 50 ppm PCB impacted sediments).

Dan Cargill suggested Ecology, SPU and Ariel meet at the same time for Ariel's quarterly progress meetings with SPU. Please provide a date and time in March that works best for you and I will coordinate between the parties. Perhaps Ecology's offices in Bellevue would be a good place to meet.

Vernon Environmental, Inc. appreciates the opportunity to be of service to Ariel Development, Inc. If you have any questions or concerns, please contact me at 206.686.2469 or conrad.vernon@comcast.net.

Sincerely,
Vernon Environmental, Inc.



Conrad F. Vernon
Principal Consultant

